

ASSEMBLY BILL

No. 2

Introduced by Assembly Member Portantino

October 27, 2009

An act to add and repeal Section 18005 of the Government Code, relating to state employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2, as introduced, Portantino. State employment: salary freeze.

Existing law requires the Department of Personnel Administration to establish and adjust salary ranges for each class of position in the state civil service, subject to specified merit limits. Existing law requires the salary range to be based on the principle that like salaries shall be paid for comparable duties and responsibilities. Existing law allows the state to enter into memoranda of understanding relating to employer-employee relations with employee organizations representing certain state employees.

This bill would make findings and declarations regarding the budget deficit facing the state. The bill would, until January 1, 2012, prohibit a person employed by the state whose base salary on or after the effective date of the bill is greater than \$150,000 per year from receiving a salary increase while employed in the same position or classification. The bill would exempt from this prohibition a person whose compensation is governed by an operative memorandum of understanding, as described above, a person who has been exempted by Executive order of the Governor, as specified, and a person whose salary is set pursuant to the California Constitution.

The bill would require all funds that are saved by the implementation of those provisions to be deposited in an unspecified fund of the

Department of Forestry and Fire Protection. The bill would also require those funds to be expended upon appropriation for the purchase and maintenance, the rent, or the lease of high-capacity firefighting airtankers, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 18005 is added to the Government Code,
2 to read:
3 18005. (a) The Legislature finds and declares all of the
4 following:
5 (1) For several years, the State of California has faced budget
6 deficits requiring cuts and changes in priorities in order to fund
7 state activities.
8 (2) In recent months, the United States economy has been dealt
9 severe blows due to the credit crisis and the housing market crisis,
10 and their resulting effects upon the financial markets.
11 (3) The ongoing structural deficit in state finances, complicated
12 by worsening economic developments, has created a fiscal crisis
13 in the governance of the state.
14 (4) After a nearly three-month deadlock, the Legislature passed
15 the \$103.4 billion Budget Act of 2008 that addressed a \$15.2 billion
16 budget shortfall.
17 (5) As the new fiscal year begins, the state is once again facing
18 a large budget shortfall. In the third quarter of 2008, the state took
19 in \$1.1 billion less than projected. Economic conditions, including
20 declining property values and stock prices, and soaring
21 unemployment rates, have generated capital losses rather than
22 capital gains and reduced sales tax, property tax, and income tax
23 revenues. These conditions have been estimated to lead to a \$15
24 billion to \$18 billion budget deficit entering the 2009–10 budget
25 year.
26 (6) In addition, the state may be required to spend significant
27 funds during the 2009–10 fiscal year on prison health care.
28 (7) Freezing certain state salaries will help alleviate the budget
29 shortfall currently facing the state.

1 (8) A fiscal committee of the Legislature has estimated that
2 freezing specified raises and suspending applicable bonuses would
3 create savings from all sources of approximately \$19.5 million.

4 (9) Recent fires such as the Station fire in Los Angeles County
5 and the La Brea fire in Santa Barbara County highlight the need
6 for the State of California to be able to employ additional
7 firefighting airtankers in emergency fire situations in a timely
8 manner. In those cases, it is vital that the Department of Forestry
9 and Fire Protection have the financial resources and ability to bring
10 in additional high-capacity firefighting airtankers to help fight
11 these fires.

12 (b) Except as provided in subdivision (c), a person employed
13 by the state whose base salary on or after the effective date of this
14 section is greater than one hundred fifty thousand dollars
15 (\$150,000) per year shall not receive a salary increase while
16 employed in the same position or classification.

17 (c) Subdivision (b) shall not apply to any of the following:

18 (1) A person whose base salary or other compensation is
19 governed by an operative memorandum of understanding entered
20 into pursuant to Chapter 10.3 (commencing with Section 3512) or
21 Chapter 12 (commencing with Section 3560) of Division 4 of Title
22 1, or pursuant to another collective bargaining agreement.

23 (2) A person employed in a classification that has been
24 designated by the Governor to be necessary for protecting the
25 safety and security of the people of California. The Governor shall
26 make such a designation only by an Executive order that lists the
27 name of each individual to whom the order applies, his or her job
28 classification, and the reason for exempting the individual from
29 the requirements of subdivision (a).

30 (3) A person whose salary is set pursuant to the California
31 Constitution.

32 (d) For the purposes of this section, a “person employed by the
33 state” means a person employed by the executive, legislative, or
34 judicial branch of state government, an appointee to a state board
35 or commission, and a person employed by the California State
36 University system.

37 (e) The Controller may reject a request for a disbursement of
38 funds that violates this section.

39 (f) The Legislature urges the Regents of the University of
40 California and the Board of Directors of the Hastings College of

1 the Law to adopt the policy expressed in this section for individuals
2 employed by those entities.

3 (g) This section shall not be enforced to the extent it is
4 preempted by federal law.

5 (h) All funds that are saved by the implementation of this section
6 shall be deposited in the ____ Fund of the Department of Forestry
7 and Fire Protection. These funds shall be expended upon
8 appropriation for the purchase and maintenance, the rent, or the
9 lease, of high-capacity firefighting airtankers.

10 (i) For the purposes of this section, “high-capacity firefighting
11 airtanker” means an airtanker with a capacity to deliver in excess
12 of 5,000 gallons of water or fire retardant.

13 (j) This section shall remain in effect only until January 1, 2012,
14 and as of that date is repealed, unless a later enacted statute, that
15 is enacted before January 1, 2012, deletes or extends that date.

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